

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB DEPRATU**, on March 27, 2003 at 8 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Bob DePratu, Chairman (R)
Sen. Bob Story Jr., Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. John C. Bohlinger (R)
Sen. Jon Ellingson (D)
Sen. Jim Elliott (D)
Sen. Bill Glaser (R)
Sen. Walter McNutt (R)
Sen. Mike Taylor (R)
Sen. Ken Toole (D)

Members Excused: Sen. Dan Harrington (D)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Shirley Herrin, Committee Secretary

Video-taped Committee: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. A video-taped recording of the meeting is available from the Montana Historical Society.

Committee Business Summary:

Hearing & Date Posted: HB 539, 3/20/2003; HB 604,
3/21/2003; SB 482, 3/21/2003; SB
479, 3/20/2003
Executive Action: SB 479 Indefinitely Postponed
SB 470, 407 (Reconsidered 3/28),
470 (2nd time),
SB 260, SB 255 (Reconsidered 3/28)

HEARING ON HB 539

Opening Statement by Sponsor:

8:05 **REP. JOHN BRUEGGEMAN, HD 74, Polson** "Revise family education savings program".

Proponents' Testimony:

8:06 Rod Sundsted, MT University System

8:10 Arlene Hannawalt, Director, MT Student Guaranteed Loan Program **EXHIBIT (tas65a01)**

Opponents' Testimony: None

Questions from Committee Members and Responses:

8:12 Begin

8:15 Ended

3 min Time elapsed.

Closing by Sponsor:

8:15 **REP. BRUEGGEMAN** closed on HB 539.

HEARING ON HB 604

Opening Statement by Sponsor:

8:16 **REP. DAVE GALLIK, HD 52, Helena** "Distribute natural gas tax to school flexibility account". **EXHIBIT (tas65a02)**

Proponents' Testimony:

8:25 Linda McCulloch, MT Superintendent of Public Instruction **EXHIBIT (tas65a03)**

8:29 Eric Burke, MEA/MFT

8:30 Bob Vogel, MT School Boards Assoc.

Opponents' Testimony: None

Questions from Committee Members and Responses:

8:31 Begin

8:33 **SEN. MIKE TAYLOR** questioned Dan Dobbs, Dept. of Revenue

8:53 Ended

22 min Time elapsed.

Closing by Sponsor:

8:53 **REP. GALLIK** closed on HB 604.

HEARING ON SB 482

Opening Statement by Sponsor:

8:56 **SEN. KEITH BALES, SD 1, Otter** "Constitutional amendment requiring property tax to be refundable".

Proponents' Testimony:

9:02 Mary Whittinghill, MT Taxpayers Assoc. She stated that Webb Brown, MT Chamber of Commerce, was also in support.

9:03 Nancy Schlepp, MT Farm Bureau

Opponents' Testimony:

9:04 Eric Burke, MEA/MFT

Questions from Committee Members and Responses:

9:06 Begin

9:17 Ended

11 min Time elapsed.

Closing by Sponsor:

9:17 **SEN. BALES** closed on SB 482.

HEARING ON SB 479

Opening Statement by Sponsor:

9:19 **SEN. JIM ELLIOTT, SD 36, Trout Creek** "Revise coal severance tax -- rate higher if less than 40 million tons produced". **EXHIBIT(tas65a04)** **EXHIBIT(tas65a05)**

Proponents' Testimony: None

Opponents' Testimony:

9:25 Jim Mockler, MT Coal Council **EXHIBIT(tas65a06)**

EXHIBIT(tas65a07) **EXHIBIT(tas65a08)**

9:30 Tom Ebzery, Puget Sound Energy/Avista/Portland General Electric Pacific Corp

9:32 David Hoffman, PPL Montana **EXHIBIT(tas65a09)**

9:34 Tom Figarelle, Forward MT

9:35 William Duffield, Asst. Exec. Dir., MT Oil, Gas and Coal Counties

Questions from Committee Members and Responses:

9:36 Begin

9:52 Ended

16 min Time ended.

Closing by Sponsor:

9:53 **SEN. ELLIOTT** closed on SB 479.

EXECUTIVE ACTION ON SB 479

10:01 **Motion/Vote:** **SEN. ELLIOTT** moved that SB 479 BE INDEFINITELY POSTPONED. Motion carried 9-1 with TOOLE voting no.

10:02 **CHAIRMAN DEPRATU** called for a short recess.

EXECUTIVE ACTION ON SB 470

10:27 **Motion:** **SEN. TAYLOR** moved that SB 470 DO PASS. He then moved amendments SB047002.alh.

SEN. BILL GLASER explained the correct procedure would be for the committee to reconsider their action taken in committee on the amendments and then vote to adopt the new amendments.

10:30 **SEN. TAYLOR** withdrew his motion on the amendment SB047002.alh and withdrew his DO PASS motion on SB 470.

10:31 **Motion/Vote:** **SEN. TAYLOR** moved the committee reconsider their action on SB 470. Motion carried unanimously.

10:32 **Motion:** **SEN. TAYLOR** moved that SB 470 DO PASS and moved amendments SB047002.alh. **EXHIBIT**(tas65a10)

Discussion:

10:33 Begin - **SEN. TAYLOR** spoke to the amendments.

10:40 **SEN. JEFF MANGAN**, sponsor of SB 470 explained the amendments further.

10:53 Ended

20 min Time elapsed.

10:54 **Vote:** Motion on the amendment SB047002.alh carried unanimously with MCNUTT and HARRINGTON voting by proxy.

10:55 **Motion/Vote:** **SEN. TAYLOR** moved that SB 470 DO PASS AS AMENDED. Motion carried 8-3 (MCNUTT voted aye by proxy) with ELLIOTT and TOOLE voting no. HARRINGTON voted no by proxy.

10:56 **SEN. JEFF MANGAN** stated he would get with the Legislative Fiscal Analyst and correct any numbers that need corrected and get the committee copies.

10:57 **VICE CHAIRMAN ROBERT STORY** took over the chair.

EXECUTIVE ACTION ON SB 407

10:58 **Motion/Vote:** **SEN. BOB DEPRATU** moved the committee reconsider their action on SB 407. Motion carried unanimously.

Motion: **SEN. DEPRATU** moved that SB 407 DO PASS and moved amendments SB040720.alh. **EXHIBIT**(tas65a11)

Discussion:

11:00 **SEN. DEPRATU** addressed the amendments - he said he would like to offer a conceptual amendment to change the tax from 42 cents to 60 cents a package and also to change the term date to the end of this biennium in the title.

11:02 Lee Heiman addressed the amendments further.

11:03 Begin

11:13 Ended

10 min Time elapsed

11:14 **Vote:** Motion on the amendments carried 7-4 (MCNUTT voted aye by proxy) with ELLINGSON, ELLIOTT and TOOLE voting no. HARRINGTON voted no by proxy. Roll Call Vote No. 1.

11:15 **Motion/Vote:** **SEN. DEPRATU** moved that SB 407 DO PASS AS AMENDED. Motion carried 7-4 with ELLINGSON, ELLIOTT, and TOOLE voting no. MCNUTT voted aye by proxy and HARRINGTON voted no by proxy. Roll Call Vote No. 2.

EXECUTIVE ACTION ON SB 470 (NO. 2)

11:16 **SEN. TAYLOR** moved to reconsider the committee action on SB 470 as figures needed to be adjusted. The motion carried unanimously. He then explained and moved an amendment **EXHIBIT**(tas65a12). The motion carried unanimously.

11:19 **Motion/Vote:** SEN. TAYLOR moved that SB 470 DO PASS AS AMENDED. Motion carried 8-3 (MCNUTT voted aye by proxy) with ELLIOTT and TOOLE voting no. HARRINGTON voted no by proxy. Roll Call Vote No. 3.

EXECUTIVE ACTION ON SB 260

11:23 **VICE CHAIRMAN ROBERT STORY** opened executive action on SB 260.

11:24 **Motion:** SEN. DEPRATU moved that SB 260 DO PASS and moved amendments SB026003.alh. **EXHIBIT**(tas65a13) and a summary **EXHIBIT**(tas65a14).

Discussion:

11:30 Begin

11:41 Brad Simshaw, Dept. of Revenue responded to questions from the committee

12:02 Ended

32 min Time elapsed.

12:03 **Vote:** Motion on the amendments carried unanimously with HARRINGTON and MCNUTT voting by proxy. Roll Call Vote No. 4.

12:04 **Motion/Vote:** SEN. DEPRATU moved that SB 260 DO PASS AS AMENDED. Motion carried 8-3 with ELLIOTT and GLASER voting no. MCNUTT voted no by proxy and HARRINGTON voted aye by proxy. Roll Call Vote No. 5.

EXECUTIVE ACTION ON SB 255

12:05 **Motion:** SEN. DEPRATU moved that SB 255 DO PASS. He then moved amendment SB025502.alh **EXHIBIT**(tas65a15). Lee Heiman addressed the amendments. **Vote:** The motion on the amendments carried.

12:06 **Motion/Vote:** SEN. DEPRATU moved that SB 255 DO PASS AS AMENDED. Motion failed 5-6 with ELLINGSON, ELLIOTT, GLASER, HARRINGTON, MCNUTT, and TOOLE voting no. (SB 255 was reconsidered on March 28, 2003)

ADJOURNMENT

Adjournment: 12:11 P.M.

SEN. BOB DEPRATU, Chairman

SHIRLEY HERRIN, Secretary

BD/SH

EXHIBIT (tas65aad)